



State of California  
**Fair Political Practices Commission**

# Bulletin

Vol. 24, No. 1

February 1998

## **FPPC Will Appeal Proposition 208 Decision**

The Fair Political Practices Commission will appeal U.S. District Court Judge Lawrence Karlton's January 6<sup>th</sup> ruling that stopped FPPC enforcement of Proposition 208.

Following a closed session meeting of the commissioners to consider a FPPC response to the preliminary injunction, FPPC Chairman James M. Hall said "the Commission has concluded that we will immediately appeal to the Ninth Circuit Court of Appeals."

Hall said that the Commission members decided that the FPPC would not seek a blanket stay of Karlton's preliminary injunction. Hall said that "seeking a stay would cause further confusion and uncertainty during the election cycle."

Karlton ordered the FPPC to petition the California Supreme Court for a ruling on how the Proposition 208 contribution limits might be increased. Karlton found that the Proposition 208 limits passed by voters in November 1996, were too low to permit most political candidates to mount an effective campaign, causing an unconstitutional abridgement of free speech rights. He also ruled that the political reform measure's voluntary expenditure limits are coercive and also unconstitutional.

Karlton said that much of Proposition 208 might be constitutional. He was unwilling to strike down the entire measure pending his order that the FPPC ask the California Supreme Court to decide whether it could rewrite portions of the measure to make it constitutional. Karlton wants the state supreme court to determine if it can "sever" unconstitutional provisions, leaving constitutional portions in effect.

The ruling did not affect hundreds of local government ordinances that set voluntary spending limits and contributions for candidates in response to Proposition 208.

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## February Commission Meeting Highlights

The February 5, 1998, Commission meeting includes the following items on the agenda:

- ✓ Reconsideration of campaign forms affected by Proposition 208
- Form 410 — Statement of Organization
- Form 496 — 24 Hour Independent Expenditure Report
- Form 501 — Candidate Intention Statement
- Form 502 — Campaign Bank Account Statement

- ✓ Delegation of power and governance policy
- ✓ Proposed legislation to establish an 11-member commission to study the effectiveness of the Act (Sponsored by the Secretary of State)
- ✓ Litigation Report
- ✓ FPPC Service Committee Report
- ✓ FPPC Long Range Planning Committee Report



### **California Fair Political Practices Commission**

James M. Hall, Chairman  
William Deaver, Commissioner  
James Porter, Commissioner  
Kathleen Richter-Makel, Commissioner  
Carol Scott, Commissioner

#### **Commission Meetings**

Meetings are regularly scheduled for the first Thursday of each month at 10:00 a.m. in the Commission Hearing Room, 428 J Street, 8<sup>th</sup> Floor, Sacramento. Please contact the Commission to confirm meeting dates.

Pursuant to Section 11125 of the Bagley-Keene Open Meeting Act, the FPPC is required to give notice of its meetings ten (10) days in advance of the meeting. In order to allow time for inclusion in the meeting agenda and reproduction, all Stipulation, Order and Decision materials must be received by the FPPC no later than three (3) business days prior to the ten day notice date.

To receive a copy of the Commission meeting agenda (free) or a copy of the full meeting packet (\$10/month or \$100/year) contact the Commission at (916) 322-5660. The agenda and packet are also available through the Commission's Fax-On-Demand service at 1-888-622-1151, index number 7000.

*Commission Advice Letter Summaries will resume in the next issue of the FPPC Bulletin.*

## State Campaign Finance Laws

On January 6, 1998, the federal district court in Sacramento enjoined enforcement of Proposition 208. The injunction will be in effect until further notice. The law and regulations that will be enforced are those which were in effect on December 31, 1996, plus legislative changes since that time. FPPC advice letters on Proposition 208 are suspended while the preliminary injunction remains in effect. The charts below describe the law applicable to the financing of campaigns in California during this period. The text of the provisions that were changed by Proposition 208 and are again in effect may be ordered by calling Fax-on-Demand at 1-888-622-1151, and ordering index number 7209. **Please note that local ordinances are not affected by the injunction.**

Proposition 208 Sections Not Currently Being Enforced			
Section	Description	Section	Description
82039*	Definition of Lobbyist	83116*	Violations
83116.5*	Violations	83124	Contribution/Expenditure Limit Adjustment
84201	Campaign Statement Reporting Threshold	84305.5*	Slate Mailers
84501-84510	Disclosure in Advertisements	85100-85102	Title, Findings and Declarations, and Purpose of Proposition 208
85202	Applicability of Act	85203	Definition of Small Contributor Committee
85204	Definition of Two-Year Period	85205	Definition of Political Party Committee
85206	Definition of Public Moneys	85301	Contribution Limits from Persons
85302	Contribution Limits from Small Contributor Committees	85303	Contribution Limits from Political Parties
85305*	Contribution Limitations	85306	Transfer Prohibition
85307*	Loans	85308	Family Contributions
85309	Aggregate Contributions from Non-Individuals	85310	Aggregate Contributions to All State Candidates
85311	Aggregation of Financial Activity	85312	Internal Communications Within an Organization
85313	Officeholder Accounts	85400	Voluntary Expenditure Ceilings
85401	Candidate Acceptance or Rejection of Expenditure Ceilings	85402	Contribution Limitations for Candidates Accepting Expenditure Ceilings
85403	Time Periods for Expenditures	85404	Expenditure Ceilings Lifted
85500	Independent Expenditures	85600	Candidate Access to State Ballot Pamphlet
85601	Candidate Access to Local Sample Ballot Materials	85602	Notification to Voters — Candidates Agreeing to Expenditure Ceilings
85700	Disclosure of Occupation and Employer	85701	Receipt of Laundered Contributions
85702	Bundling of Contributions	85703	Earmarking of Contributions Prohibited
85704	Contributions from Lobbyists	85705	Contributions from Governmental Appointees

Proposition 208 Sections Not Currently Being Enforced			
Section	Description	Section	Description
<b>85706</b>	Local Jurisdictional Authority	<b>85802</b>	Appropriation to the Fair Political Practices Commission
<b>89519*</b>	Surplus Campaign Funds	<b>91000*</b>	Violations
<b>91004*</b>	Violation of Reporting Requirement; Civil Liability	<b>91005.5*</b>	Civil Liability for Violations
<b>91006*</b>	Joint and Several Liability	<b>20300</b>	Elections Code that was Repealed by Proposition 208

\*These sections were amended or repealed by Proposition 208. **Therefore, the pre-Proposition 208 sections are currently in effect.**

In addition, the following statutes are in effect: Section 85103 - Amendment or Repeal of Chapter; Section 85104 - Operative Date; Section 85304 - Prohibition on Transfers (Sections 85301 - 85303 were enjoined in *SEIU v. FPPC* (1992) 955 F.2d 1312); and Section 91015 - Liability for Violations; Criminal and Civil.

Suspended Regulations			
Regulation	Description	Regulation	Description
<b>18502.1</b>	Reporting by Small Contributor Committees	<b>18519.4</b>	Surplus Funds from Elections Prior to 1/1/97
<b>18530.1</b>	Use of Funds Raised Prior to January 1, 1997	<b>18530.7</b>	Loans and Contractual Obligations Made Prior to January 1, 1997
<b>18531.1</b>	Affiliated Entities Sharing One Contribution Limit	<b>18531.3</b>	Transfers of Funds into Officeholder Accounts
<b>18541</b>	Voluntary Expenditure Limits — Notification and Designation Requirements	<b>18550</b>	Independent Expenditure Reports Required by Gov. Code Sections 85404 and 85500
<b>18626</b>	Contributions from Lobbyists		

Regulations Currently in Effect			
Regulation	Description	Regulation	Description
<b>18502</b>	Broad Based Political Committees	<b>18531</b>	Return of Excessive Contributions
<b>18532</b>	Solicitation of Contributions in Excess of the Contribution Limits	<b>18533</b>	Contributions from Joint Checking Accounts
<b>18535</b>	Contribution Limitations During Special and Special Runoff Elections	<b>18537</b>	Contribution Limits and Application to Repaid Loans
<b>18539</b>	Contributions to and by Political Parties and Political Party Committees		

## Officeholder Accounts

Proposition 208 enabled incumbent officeholders to set up officeholder accounts for expenses related to assisting, serving, or communicating with constituents, or to carry out official duties of the elected officer. On January 6, 1998, the federal district court in Sacramento enjoined enforcement of Proposition 208.

Officeholder accounts were prohibited before the enactment of Proposition 208 by the “one bank account” rule in Proposition 73. Therefore, no new officeholder accounts may be opened. The following advice applies to officeholder accounts opened prior to January 7, 1998:

- ✓ No additional contributions may be raised or transferred *into* the account.
- ✓ The officeholder account may be left open and funds may be spent for officeholder expenses until further notice.
- ✓ Funds in the account must be transferred to a campaign account before being spent for campaign purposes.
- ✓ If an officeholder does not have an existing campaign bank account, the officeholder account may be designated as the campaign account by filing the Forms 501/502 and amending the Form 410.
- ✓ Reporting continues to be required for officeholder accounts that remain open. Regulation 18531.4 provides the guidelines for officeholder account disclosure. A copy of this regulation may be obtained by calling Fax-on-Demand at 1-888-622-1151, and ordering index number 9012.

## Fast Forms

FPPC forms and campaign statement filing schedules can be obtained automatically by calling Fax-on-Demand at 1-888-622-1151. When prompted by the automatic voice menu, order items by dialing the index numbers assigned to the items listed below:

Index	Item
2001	Form 410-Statement of Organization
2002	Form 415-Recipient Committee Statement of Termination
2003	Form 416-Officeholder and Candidate Statement of Termination
2004	Form 461-Independent Expenditure/Major Donor Committee Campaign Statement
2005	Form 496-Late Independent Expenditure Report
2007	Forms 501/502 Candidate Intention and Campaign Bank Account Statements
2008	Form 601-Lobbying Firm Registration Statement
2009	Form 602-Lobbying Firm Activity Authorization
2010	Form 603-Lobbyist Employer or Lobbying Coalition Registration Statement
2011	Form 604-Lobbyist Certification Statement
2012	Form 605-Amendment to Registration Lobbying Firm, Lobbyist Employer, Lobbying Coalition
2013	Form 607-Notice of Withdrawal (Lobbyists/Lobbying Firms)
2015	June 2, 1998, Campaign Statement Filing Schedule
2016	November 3, 1998, Campaign Statement Filing Schedule

The index will be updated periodically. To obtain a current index of forms and filing schedules that are available, order index number 2000.

## FPPC Mailing Lists...Sign Up Today!

You are encouraged to review the mailing lists below to start receiving information on these topics. Simply call our office at (916) 322-5660, or you may fax or mail your request using the coupon below. All information is free of charge, except for the Commission packet.

- ***Commission Packet***

The Commission packet includes copies of all proposed regulations, enforcement stipulations, reports from the Executive Director, and updates on legislation and litigation. The packet is mailed ten days prior to the Commission meeting. Because of the volume of material in the packet, a fee of \$10 per month or \$100 per year is charged.

The packet is also available through the Commission's Fax-On-Demand service at 1-888-622-1151, index number 7000.

- ***Commission Agenda***

The agenda is available ten days prior to the Commission meeting. It includes information about the date, time and location of the meeting and an itemization of the matters on the agenda. There is no charge to obtain a mailed copy of the agenda. The agenda is also available through the Commission's Fax-On-Demand service at 1-888-622-1151, index number 7000.

- ***Interested Persons' List***

Persons interested in previewing proposed regulations and notification of informal discussion groups about regulations and other matters of interest should sign up to be placed on this list. Meetings are scheduled on an as-needed basis.

- ***Forms/Manuals Preview Meetings List***

Persons who are interested in previewing new or amended forms and manuals should sign up for this mailing list. In most cases, the

meetings are coordinated by the Technical Assistance Division to solicit comments from the public prior to Commission approval of the forms and manuals.

- ***Bulletin Mailing List***

Unless you picked up this issue at a seminar or from a friend, you are already on the bulletin mailing list. Please remember to complete the coupon included in the December issue each year and return it to the Commission to remain on the public mailing list. City and county clerks, city attorneys, county counsels, district attorneys, Members of the Legislature and the press automatically receive the bulletin. However, only one issue is automatically sent to each address. Other persons within an agency should request to be placed on the public mailing list.

### Mailing List Order Form

- ☐ Commission Packet
- ☐ Commission Agenda
- ☐ Interested Persons' List
- ☐ Forms/Manuals Preview Meetings List
- ☐ Bulletin Mailing List

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State, Zip \_\_\_\_\_

Telephone \_\_\_\_\_

**Fax to: (916) 322-3711**

or

**Mail to:**

**Fair Political Practices Commission  
428 J Street, Ste. 450, Sacramento, CA 95814**

### **922-Count Accusation Issued Against Federally-Controlled Card Club**

The Fair Political Practices Commission has accused the Bell Gardens Bicycle Club and several other organizations and persons of running covert campaigns against proposed gambling operations in 16 California city elections.

The Bicycle Club, in which the Federal Government has a 36 percent controlling interest (as the result of a drug-related forfeiture action), allegedly set up shell committees without disclosing its control or the funding it provided from its gambling operations to the campaign committees.

In an attempt to stop potentially competing card rooms, the Bicycle Club ran opposing election campaigns in the cities of Cypress, Pico Rivera, Hawaiian Gardens, Stanton, West Hollywood, Bellflower, Lynwood, South El Monte, Pomona, Compton, Irwindale, Ontario, South San Francisco, Azusa, Colton and Stockton.

Little of the spending or the source of the funds was disclosed as required by law.

Also named in the 80-page accusation document are George Hardie, Tammy Grant, David Gould, Jerry Westlund, Park Place Associates, Ltd., Lucille Nelson, and Hardie Financial Group Inc./Hardie Group Inc./The Hardie Group, Inc.

Total fines could reach a record-setting \$1,844,000.

### **Bicycle Club's Committees Fined**

Californians for Fair Business Practices; California Sports, Entertainment and Gaming Association; Alliance for Safe Communities; Residents to Protect Our Neighborhoods; Concerned Taxpayers of California; Californians Against Gaming Expansion; Public Information Service; and Save Our Neighborhoods were fined \$412,000, at the January 15 Commission meeting, for various disclosure violations.

The Bell Gardens Bicycle Club (Bicycle Club) and its affiliates secretly created and funded numerous sham committees. In order to prevent competition, the Bicycle Club used the sham committees to campaign against measures in neighboring cities that would have legalized gambling in those jurisdictions.

The various committees would then bombard the target city with thousands of pieces of campaign mail. Often the mailers would hit just days before the election. The mailers would only use the sham committees' names and would not disclose sponsorship by the Bicycle Club. Therefore, voters in those cities were denied the knowledge that the Bicycle Club Casino, the sponsor of the committees, was behind the campaigns. Controlling interest in the Bicycle Club was, and still is, held by the United States Government.

The committees often failed to file supplemental and late independent expenditure reports. If reports were filed, the reports failed to disclose the Bicycle Club as the sponsor. Additionally, many reports lacked full disclosure of campaign expenditures.

# Enforcement Actions

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## Soccer Club Fined

**San Francisco Bay Professional Soccer Club, Inc.**, was fined \$39,000 at the December 11 Commission meeting for laundering campaign contributions to San Jose City Council candidate Margie Fernandes, Friends of Mayor Susan Hammer, and Citizens for Susan Hammer.

The “San Francisco Bay Blackhawks” was a professional soccer team located in San Jose from 1991 through 1994. The soccer team was owned by San Francisco Bay Professional Soccer Club, Inc. (Soccer Club, Inc.). Between 1992 and 1993, Soccer Club, Inc., reimbursed employees for making 22 campaign contributions to San Jose candidates.

The Political Reform Act prohibits making campaign contributions in the name of another person. Commonly known as “campaign money laundering,” the illegal act deprives the public of the right to know the true source of contributions.

## Conflict of Interest Violations

### *January 15 Meeting*

**Sharon Wright** was fined \$14,500 for conflict of interest and disclosure violations and **Janet Condrón** was fined \$3,000 for conflict of interest violations. Wright and Condrón are both members of the Santa Rosa City Council.

Wright is the president/sole owner of Wright & Associates, a corporation providing management service to trade and professional associations.

Wright has had a contract with the Santa Rosa Chamber of Commerce since 1988 to manage and run “Leadership Santa Rosa,” an adult community education program. This contract represents approximately one third of Wright & Associates’ annual income. The remainder of the corporation’s income is derived from Wright’s position as a director of the Sonoma County Alliance. Wright failed to disclose the Chamber of Commerce and the Sonoma County Alliance as sources of income of \$10,000 or more on her 1993 and 1994 annual statements of economic interests.

Between June 1993 and June 1995, Wright voted and participated in several issues concerning funding for the Chamber of Commerce for the Santa Rosa Convention and Visitor’s Bureau; the “Forum 2000 II Program,” to supplement business and citizen contributions for a town hall meeting to exchange ideas regarding the community’s future; the “Jobs First” program; and Downtown Trolley service promotion and revenue collection.

Condrón was employed by the Chamber of Commerce from the late 1980s until the end of June 1996. Between May and June 1995, Condrón voted on decisions concerning funding for the Chamber of Commerce for Downtown Trolley service promotion and revenue collection; the Santa Rosa Convention and Visitor’s Bureau; and the “Jobs First” program.

Wright and Condrón should not have participated in these decisions since they received income of over \$250 from the Chamber of Commerce during the 12 months preceding the decisions.



### Conflict of Interest Violations...*Continued*

**Seth Henry Irish III**, former Hollister City Councilmember, was fined \$8,000 for conflict of interest and disclosure violations.

Irish owns and operates Irish's Drafting Services, formerly known as Irish's Surveying Services. Between June 1993 and September 1995, Irish provided services to Kaufman & Broad, a company with five residential developments in Hollister. Irish had written agreements with Kaufman & Broad to do a tentative map and final map and to provide other services. Over this period, Kaufman & Broad paid Irish's firm approximately \$126,000. Irish failed to disclose this income on his annual statements of economic interests.

During the same time period, Irish appeared at a city planning commission meeting and communicated with city staff on behalf of Kaufman & Broad. On July 29, 1993, he appeared before the planning commission to request a property rezone to a less restrictive classification for a residential development. From March to May 1994, Irish also sent several letters to city staff on behalf of Kaufman & Broad. Because Kaufman and Broad was a source of income to his business, Irish should not have participated in this manner.

Additionally, in 1993, Irish appeared before the planning commission on behalf of Pat Annotti, another business client. Irish also failed to disclose the source of income from the sale of his residence on his 1996 annual statement of economic interests.

**Michael McGinnis**, former Mayor of Chico, was fined \$1,000 for a conflict of interest violation.

In September 1994, McGinnis accepted a paid position as Executive Director of the Association for Retarded Citizens of Butte County (ARC). ARC was a source of income to McGinnis of more than \$250. In his capacity as Executive Director of ARC, McGinnis submitted a written funding request to the city manager.

The normal funding process for community organizations is to submit a request to the finance committee for the following fiscal year. The finance committee submits its recommendations to the city council for a vote. In this instance, McGinnis made his request directly to the city manager, which circumvented the normal funding cycle for community organizations.

When the matter appeared on the agenda, McGinnis recused himself from the discussion and vote due to his employment with ARC. Other councilmembers stated they believed it would be inappropriate to consider ARC's funding request, because McGinnis' position as mayor could influence the city council. The council requested ARC resubmit the funding request during the normal funding process. A funding request form was submitted to the City of Chico the following year by ARC's president of the board of directors.

The Act prohibits public officials from contacting employees of an agency to influence a governmental decision in which they have a financial interest.

# Enforcement Actions

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## Disclosure Violations

### *December 11 Meeting*

**Michael Woo and “Mike Woo for Mayor-Runoff” Committee** were fined \$13,000 for failure to file late contribution reports in connection with the June 8, 1993, Los Angeles Mayoral election. On 13 occasions during the late contribution period, the committee received contributions that triggered late contribution reports. The committee filed three late contribution reports before the election. However, many of the late contributions were not reported timely and some were not included on any late contribution reports.

### *January 15 Meeting*

**American Federation of State, County and Municipal Employees AFL-CIO District Council 36 (Council 36); Arthur Pond, President; Clarence Palmer, Karlene George, Jean Nicholas, Ralph Miller, Dena Webb, Sandra Macatee, Vice Presidents; Alice Goff, Secretary; and John Wyrrough, Executive Director**, were fined \$85,000 for failing to file campaign disclosure reports.

Council 36 is a council of local unions headquartered in Los Angeles. Its affiliated local unions are located in Los Angeles, Orange, Ventura, Santa Barbara, Riverside, San Bernardino, San Diego and Imperial Counties. Council 36 has maintained a sponsored general purpose committee funded through contributions made by its individual members and affiliates since 1975.

From January 1991, through June 1997, Council 36 received \$181,450 in contributions and made \$175,535 in expenditures. Nearly all of the committee’s expenditures were

contributions to candidates in statewide, legislative and local elections. However, none of this campaign activity was disclosed to the public. Council 36 did not file the delinquent statements until December 1997.

**Paul Horcher and Friends of Assemblyman Paul Horcher Committee (FAPHC)** were fined \$6,000 for disclosure violations.

Horcher was formerly a member of the State Assembly, 52<sup>nd</sup> District, in Los Angeles County, which includes the City of Diamond Bar. Mark Thompson was employed as Horcher’s chief of staff and was an agent for FAPHC.

Southern California Taxpayers Committee (SCTC) was formed in October 1991, as a state general purpose committee. SCTC’s sole activity was to produce and send a negative political mailer opposing Diamond Bar City Council candidate Phyllis Papen in a November 5, 1991, city election. Through the actions of Thompson and the FAPHC, Horcher is deemed to have indirectly controlled the SCTC.

SCTC’s Form 410, Statement of Organization, did not properly disclose information about the controlling candidate and the purpose of the committee. A late independent expenditure report disclosing a late independent expenditure totaling \$3,514 made in opposition to Papen was not timely and properly filed by SCTC. A semi-annual campaign statement for the period from July 1, 1991, through December 31, 1991, was not filed by SCTC. In addition, FAPHC failed to file a late contribution report disclosing a \$2,268.88 non-monetary contribution to SCTC.

### Other Violations

#### *January 15 Meeting*

**Louis Perez**, Mayor of La Puente, was fined \$2,000 for accepting cash contributions of \$100 or more and making a cash expenditure of \$100 or more.

In 1995, an attempt was made to recall several La Puente councilmen. Based on the belief that the recall effort was being directed by Councilwoman Holguin-Fallon, a group of local residents, including Perez, began an effort to recall Holguin-Fallon. The recall efforts included posting signs and sending five mailers. Perez stated that during the recall efforts, he received three cash contributions of \$200 each. He also paid \$550 in cash for five signs placed in La Puente demanding the recall of Holguin-Fallon.

The Act prohibits receipt of cash contributions of \$100 or more. Expenditures of \$100 or more in cash are also prohibited.

**Jane Brunner and the Friends of Jane Brunner Committee** were fined \$1,750 for failure to include proper sender identification on a mass mailing.

Brunner was a successful candidate for the Oakland City Council, District 1 seat, in the March 26, 1996, primary election.

On November 20, 1995, the Friends of Jane Brunner Committee paid for the total cost of a mass mailing supporting Brunner's campaign. However, the committee's name was not identified on the outside of the mailing. Additionally, the post office box shown on the outside of the mailing was not listed on the committee's statement of organization.

The Act requires candidates or committees that pay for the largest portion of a mailing to be identified as the sender so that the public is aware of the true source of the mailing. A committee may use a post office box as the address on a mass mailing if it is listed on the committee's Form 410, Statement of Organization.

**FPPC Enforcement Complaint Hotline  
Number:** (800) 561-1861

**FPPC Enforcement Complaint Form:**  
Order through Fax-on-Demand,  
1-888-622-1151, index number 2098.

# Annual Statements of Economic Interests

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State and local public officials are required to file annual statements of economic interests (Form 700) that disclose reportable financial interests.

The statements are intended to alert the public and officials about financial interests that may require disqualification from governmental decisions because of a conflict of interest. Under the Act, public officials must avoid participating in or attempting to use their

official positions to influence governmental decisions that would materially affect a personal financial interest. Financial interests include investments, interests in real property, sources of income, and business positions.

Statements of economic interests are public documents available for public inspection and reproduction. Copies of statements may be purchased for 10 cents per page.

## **March 1 Deadline**

### *State Officers*

- Governor
- Lieutenant Governor
- Attorney General
- Controller
- Insurance Commissioner
- Secretary of State
- Treasurer
- Public Utilities Commissioners
- Superintendent of Public Instruction
- State Board of Equalization Members
- State Energy Resources Conservation and Development Commissioners
- State Coastal Commissioners
- Fair Political Practices Commissioners
- Members of the State Legislature

### *Judicial Officers*

- Judges (Supreme, Appellate, Superior, and Municipal Courts)
- Court Commissioners
- Retired Judges, Pro-Tem Judges and part-time Court Commissioners who serve or expect to serve 30 days or more in a 12-month period.

## **April 1 Deadline**

### *County Officers*

- Members of the Board of Supervisors
- Chief Administrative Officers
- District Attorneys
- Planning Commissioners
- County Counsels
- County Treasurers

### *City Officers*

- Mayors
- Members of the City Council
- City Attorneys
- City Managers
- Chief Administrative Officers
- Planning Commissioners
- City Treasurers

### *Public Investment Managers*

State, County, and City Public Officials (Including Employees and Consultants) Who Manage Public Investments

### **Designated Employees**

Individuals serving in designated positions in an agency's conflict of interest code file annual statements at the time specified in the code. The due date is April 1 for most filers.

## June 2, 1998, Election Filing Schedule

<i>Filing Deadline</i>	<i>Type of Statement</i>	<i>Period Covered by Statement<sup>1/</sup></i>	<i>Method of Delivery</i>
March 22* *Sun. - File by March 23	First Pre-election	1/1/98 - 3/17/98	<ul style="list-style-type: none"> <li>• Personal Delivery</li> <li>• First Class Mail</li> </ul>
May 21	Second Pre-election	3/18/98 - 5/16/98	<ul style="list-style-type: none"> <li>• Personal Delivery</li> <li>• Guaranteed Overnight Service<sup>2/</sup></li> </ul>
24 Hours <sup>3/</sup>	Late Contributions and Late Independent Expenditures of \$1,000 or more	5/17/98 - 6/1/98	<ul style="list-style-type: none"> <li>• Personal Delivery</li> <li>• Telegram</li> <li>• Guaranteed Overnight Service</li> <li>• Fax</li> </ul>
July 31	Semi-Annual	5/17/98 - 6/30/98	<ul style="list-style-type: none"> <li>• Personal Delivery</li> <li>• First Class Mail</li> </ul>

## November 3, 1998, Election Filing Schedule

<i>Filing Deadline</i>	<i>Type of Statement</i>	<i>Period Covered by Statement<sup>1/</sup></i>	<i>Method of Delivery</i>
October 5	First Pre-election	1/1/98 - 9/30/98 or 7/1/98 - 9/30/98	<ul style="list-style-type: none"> <li>• Personal Delivery</li> <li>• First Class Mail</li> </ul>
October 22	Second Pre-election	10/1/98 - 10/17/98	<ul style="list-style-type: none"> <li>• Personal Delivery</li> <li>• Guaranteed Overnight Service<sup>2/</sup></li> </ul>
24 Hours <sup>3/</sup>	Late Contributions and Late Independent Expenditures of \$1,000 or more	10/18/98 - 11/2/98	<ul style="list-style-type: none"> <li>• Personal Delivery</li> <li>• Telegram</li> <li>• Guaranteed Overnight Service</li> <li>• Fax</li> </ul>
January 31 1999* *Sun - File by February 1	Semi-Annual	10/18/98 - 12/31/98	<ul style="list-style-type: none"> <li>• Personal Delivery</li> <li>• First Class Mail</li> </ul>

- 1/ The period covered by any statement begins on the day after the closing date of the last statement filed, or January 1, if no previous statement has been filed.
- 2/ Personal or guaranteed overnight delivery is required for officeholders/candidates, their controlled committees, and committees primarily formed to support or oppose candidates or measures being voted upon on June 2, 1998, or November 3, 1998. All others may file by first class mail.
- 3/ The recipient of a late "in-kind" contribution must file a Late Contribution Report within 48 hours from the time the in-kind contribution is received.

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**Refer to appropriate campaign disclosure manuals for further information**

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For technical assistance, please contact the Commission at (916) 322-5660.

### Notes:

- State and county general purpose recipient committees must file on March 22<sup>nd</sup>, May 21<sup>st</sup>, October 5<sup>th</sup> and October 22<sup>nd</sup> only if contributions/independent expenditures aggregating \$500 or more are made during the corresponding period.
- Campaign statements which contain 30 pages or less may be faxed provided that the exact original and the required copies are sent to the filing officer(s) by first-class mail or by guaranteed overnight delivery service within 24 hours of the filing deadline. Late Contribution and Late Independent Expenditure Reports may be faxed but are not also required to be mailed.
- State and county major donor and independent expenditure committees are *not* required to file regular pre-election statements.
- In general, city committees are not required to file pre-election statements unless the city is holding an election.

# Lobbying Issues

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## Lobbyist Qualification

Proposition 208 revised the definition of lobbyist. Regulation 18239 was amended by the Commission in September 1997, to clarify the revised definition. On January 6, 1998, the federal district court enjoined enforcement of Proposition 208. However, the tests for qualifying as a lobbyist under Regulation 18239, as amended in September 1997, remain in effect until further notice. A brief description of the qualification tests is outlined below. Please review the complete text of Regulation 18239 for further information. The regulation may be obtained by calling Fax-on-Demand at 1-888-622-1151, and ordering index number 9135.

### ✓ Contract Lobbyist

Receives or is entitled to receive \$2,000 or more in any calendar month for engaging in direct communication, other than administrative testimony, with one or more qualifying officials for the purpose of influencing legislative or administrative action.

### ✓ In-House Lobbyist

Spends one-third or more of employer-compensated time in any calendar month engaging in direct communication, other than administrative testimony, with one or more qualifying officials for the purpose of influencing legislative or administrative action.

## Lobbyist Ethics Orientation Courses

Lobbyists are required to attend an ethics orientation course as a condition of certification. Pursuant to legislation passed in 1997, a lobbyist is prohibited from lobbying if he or she fails to attend ethics training within the relevant time periods. A violation of these provisions could result in possible criminal prosecution or the imposition of substantial fines. The Senate Committee on Legislative Ethics and the Assembly Legislative Ethics Committee have scheduled the following courses for:

**Who:** All registered lobbyists who are currently conditionally registered.

**When:** Friday, March 27, 1998  
Secretary of State's Auditorium  
1500 11<sup>th</sup> Street  
(11<sup>th</sup> & O Street entrance)  
1:30-3:30 p.m.

*or*

Friday, May 1, 1998  
Sacramento Convention Center  
1030 15<sup>th</sup> Street, Rooms 309 and 310  
1:30-3:30 p.m.

*Please arrive early, sign-in begins at 12:45 p.m.*

**Cost:** \$10 per person

### **Advance**

**Sign-up:** Sign-up forms have been mailed. Return completed forms by **March 19, 1998**, for the March 27 ethics course and **April 27, 1998**, for the May 1 ethics course to:

Senate Committee on Legislative Ethics  
Room B-31, State Capitol  
(Across from the Bill Room)  
Sacramento, CA 95814

**Please call (916) 324-6929 for more information.**

# Mark Your Calendar...

## General Purpose Committee Workshop

Overview of campaign disclosure provisions

Review of Forms 450 and 420

A general purpose committee is any entity that receives \$1,000 or more in contributions during a calendar year but is not primarily formed to support or oppose a single officeholder, candidate, measure or specific candidates or measures being voted on in a single election. General purpose committees are more commonly referred to as political action committees ("PACs").

### Sacramento

**Friday, April 3**

Commission Hearing Room

428 J Street, 8<sup>th</sup> Floor

10:00 a.m. to 12 noon

## Lobbying Disclosure Workshop

Review of Forms 615, 625, and 635

Discussion of gift notifications

*This workshop is not intended for lobbyists who need to attend an orientation course to complete their lobbyist registration. See page 14 for information on Lobbyist Orientation Courses.*

### Sacramento

**Friday, April 17**

Commission Hearing Room

428 J Street, 8<sup>th</sup> Floor

10:00 a.m. to 12 noon

## Candidate/Treasurer Workshops

These two-hour workshops are tailored to assist candidates and treasurers of candidate committees involved in early 1998 elections.

### San Diego County

**Saturday, February 21**

Planning and Land Use Hearing Room

5201 Ruffin Road

San Diego

11:00 a.m. to 1:00 p.m.

### San Francisco Ethics Commission

**Saturday, February 21**

War Memorial

401 Van Ness, #207

San Francisco

10:00 a.m. to 12 noon

### Torrance

**Wednesday, February 25**

Council Chambers

3031 Torrance Blvd.

7:00 to 9:00 p.m.

### Sacramento

**Wednesday, February 25**

7:00 to 9:00 p.m.

or

**Saturday, February 28**

11:00 a.m. to 1:00 p.m.

Commission Hearing Room

428 J Street, 8<sup>th</sup> Floor

### Contra Costa County

**Thursday, February 26**

Supervisor Chambers

651 Pine Street, #107

Martinez

7:00 to 9:00 p.m.

**Reservations Required Free — Sign up Today! (916) 322-5660**

# Commission Meeting Summaries

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## *December 11 Meeting*

Chairman James M. Hall called the December 11, 1997, meeting of the FPPC to order at 10:00 a.m. in the Commission Hearing Room, 428 J Street, Sacramento. In addition to Chairman Hall, Commissioners William Deaver, Kathleen Makel, James Porter and Carol Scott were present.

The Commission approved \$52,000 in enforcement fines. The Commissioners held pre-notice discussion of Regulation 18531.5 - Use of Officeholder Account Funds; Regulation 18531.9 - Recall Elections; and Advertising Disclosure (Government Code Sections 84501-84510.).

Amendments to Form 410, Statement of Organization, were approved.

## *January 15 Meeting*

Chairman James M. Hall called the January 15, 1998, meeting of the FPPC to order at 10:04 a.m. In addition to Chairman Hall, Commissioners William Deaver, Kathleen Makel, James Porter and Carol Scott were present.

The Commission approved \$533,250 in enforcement fines.

The Commission took no action on the following regulations that were listed on the agenda:

- Regulation 18215.2 - Monetary Contributions, When "Accepted."
- Regulation 18519.1 - Surplus Campaign Funds - Definitions.
- Regulation 18519.2 - Surplus Campaign Funds - Calculation.
- Regulation 18519.3 - Surplus Campaign Funds - Distribution.
- Regulation 18523 - Return of Excessive Contributions to a Committee Not Controlled by a Candidate.
- Regulation 18531 - Contributions from Persons to Candidates' Designation to a Particular Election; Redesignation; Return of

Excessive Non-Monetary Contributions. (Repeal and Re-enactment.)

- Regulation 18531.2 - Intra-Candidate Transfers.
- Regulation 18531.5 - Use of Officeholder Accounts.
- Regulation 18540 - Contribution and Voluntary Expenditure Limit Amounts, Adjustment for Inflation and Open Primary.
- Regulation 18542 - Voluntary Expenditure Ceiling - Expenditures Included Within Limits.
- Regulation 18543 - Voluntary Expenditure Ceilings - Expenditure Ceilings Lifted.

## *Services Committee Meeting*

Commissioners Kathleen Makel and Carol Scott held the first FPPC Services Committee meeting on January 14, 1998, to review the quality of enforcement procedures and services to the public. The committee received public input regarding improving FPPC's methods and effectiveness.

## *Long Range Planning Committee Meeting*

Commissioners James L. Porter and William H. Deaver convened the inaugural meeting of the FPPC Long Range Planning Committee on January 28, 1998, at Claremont McKenna College in Claremont. FPPC Chairman James M. Hall was also present at the meeting.

The Long Range Planning Committee is charged with reviewing the origins, structure, and effect of the laws administered by the FPPC; the relationship between constitutional principles and efforts to improve political ethics; the direction that future political reform efforts at the California and federal levels of government may take; and the impact such efforts may have on the organization and functions of the FPPC.

The committee received input from invited discussants and public comment on the future of political reform in California.